

Pharmaniaga Berhad (467709-M)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the quarter ended 31 December 2011	Current Period		Cumulative Period	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Revenue	367,786	376,116	1,520,981	1,378,348
Cost of sales	(313,683)	(326,970)	(1,293,813)	(1,179,591)
Gross profit	54,103	49,146	227,168	198,757
Other income	212	1,394	1,576	3,151
Operating expenses	(36,750)	(52,015)	(152,005)	(152,296)
Finance costs	(1,372)	(1,208)	(4,164)	(4,043)
Interest income	175	176	948	1,028
Share of results of associate	-	(194)	(337)	(1,135)
Profit/(loss) before taxation	16,368	(2,701)	73,186	45,462
Taxation	(4,186)	1,511	(20,101)	(13,190)
Zakat	-	(762)	(300)	(1,962)
Profit/(loss) for the period	12,182	(1,952)	52,785	30,310
Attributable to:				
Shareholders of the Company	11,942	(2,256)	52,157	30,384
Non-controlling interest	240	304	628	(74)
Profit/(loss) for the period	12,182	(1,952)	52,785	30,310
Earnings/(loss) per share - sen				
Basic	10.15	(1.92)	44.32	25.82

The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010.

Pharmaniaga Berhad (467709-M)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the quarter ended 31 December 2011	Current Period		Cumulative Period	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) for the period	12,182	(1,952)	52,785	30,310
Foreign currency translation difference in respect of foreign operations	(1,455)	(232)	270	(1,464)
Total comprehensive income/(loss) for the period	10,727	(2,184)	53,055	28,846
Attributable to:				
Shareholders of the Company	10,487	(2,488)	52,427	28,920
Non-controlling interest	240	304	628	(74)
Total comprehensive income/(loss) for the period	10,727	(2,184)	53,055	28,846

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010.

Pharmaniaga Berhad (467709-M)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2011	2011	Audited 31 December 2010
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	346,340	276,976
Prepaid lease payment	2,868	2,950
Investment in associates	19	5,427
Intangible assets	102,186	28,820
Deferred tax assets	12,307	10,945
	463,720	325,118
Current assets		
Inventories	384,614	230,013
Receivables	248,533	127,295
Amounts due from related companies	-	10,173
Cash, bank balances and deposits	55,075	102,977
Tax recoverable	8,495	6,304
	696,717	476,762
TOTAL ASSETS	1,160,437	801,880
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	106,978	106,978
Reserves	360,072	314,866
Shareholders' equity	467,050	421,844
Non-controlling interest	16,257	15,629
Total equity	483,307	437,473
Non-current liabilities		
Provision for defined benefit plan	3,863	3,175
Long term borrowings	102	59
Deferred tax liabilities	5,051	1,530
	9,016	4,764
Current liabilities		
Payables	464,303	325,020
Amounts due to related companies	3,530	128
Short term borrowings	188,218	33,067
Tax payable	4,842	1,428
Dividend payable	7,221	-
	668,114	359,643
Total liabilities	677,130	364,407
TOTAL EQUITY AND LIABILITIES	1,160,437	801,880

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010.

Pharmaniaga Berhad (467709-M)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

← Attributable to shareholders of the Company →

For the financial period ended 31 December 2011	Share Capital	* Share Premium	* Other Reserves	Retained Profits	Total	Non- controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2011	106,978	22,447	(3,885)	296,304	421,844	15,629	437,473
Total comprehensive income for the period	-	-	270	52,157	52,427	628	53,055
Dividend	-	-	-	(7,221)	(7,221)	-	(7,221)
Balance as at 31 December 2011	106,978	22,447	(3,615)	341,240	467,050	16,257	483,307
As at 1 January 2010	106,978	22,447	(2,421)	303,629	430,633	15,703	446,336
Total comprehensive (loss)/ income for the period	-	-	(1,464)	30,384	28,920	(74)	28,846
Dividends	-	-	-	(37,709)	(37,709)	-	(37,709)
Balance as at 31 December 2010	106,978	22,447	(3,885)	296,304	421,844	15,629	437,473

* Denotes non distributable reserves

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the quarter ended 31 December 2011

	2011	2010
	RM'000	RM'000
Operating Activities		
Cash receipts from customers	1,536,468	1,368,004
Cash payments to suppliers and employees	(1,574,917)	(1,264,529)
Net cash (used in)/generated from operations	(38,449)	103,475
Interest paid	(4,152)	(4,037)
Income taxes paid less refund	(23,450)	(24,121)
Interest received	950	1,027
Net cash (used in)/generated from operating activities	(65,101)	76,344
Investing Activities		
Acquisition of a subsidiary (net of cash acquired)	(94,380)	-
Purchase of property, plant and equipment	(30,492)	(9,832)
Purchase of intangible assets	(12,108)	-
Proceeds from disposal of property, plant and equipment	269	180
Proceeds from disposal of non-current assets held for sale	-	1,000
Proceeds from disposal of an associate	4,928	-
Net cash used in investing activities	(131,783)	(8,652)
Financing Activities		
Drawdown of short term borrowings	169,134	6,665
Dividend paid	-	(37,709)
Repayment of term loans and other borrowings	(20,068)	(37,550)
Term loan interest paid	(28)	(853)
Net cash generated from/(used in) financing activities	149,038	(69,447)
Effects of exchange rate changes	(56)	324
Net change in cash and cash equivalents	(47,902)	(1,431)
Cash and cash equivalent at beginning of period	102,977	104,408
Cash and cash equivalent at end of period	55,075	102,977
Analysis of cash and cash equivalents		
Cash, bank balances and deposits	55,075	102,977
Cash and cash equivalent at end of period	55,075	102,977

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Part A - Explanatory Notes Pursuant to FRS 134**A1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in compliance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2010.

A2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2010, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and IC Interpretations which are applicable for the Group's financial period beginning 1 January 2011.

A2.1 Adoption of FRSs, Amendments to FRSs and IC Interpretations

On 1 January 2011, the Group adopted the following FRSs, Amendments to FRSs and IC Interpretations:-

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (Revised)
FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Share-based Payment
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 132	Classification of Rights Issue
Amendments to FRS 138	Intangible Assets
IC Interpretation 4	Determining Whether an Arrangement Contains a Lease
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
Improvements to FRS 2010	

Adoption of the above FRSs, Amendments to FRSs and IC Interpretations did not have any effect on the financial performance, position or presentation of financials of the Group, other than the disclosures under the Amendments to FRS 7 which will affect the 2011 annual financial statements, and the expensing under FRS3 of acquisition related cost of a new subsidiary totalling RM1.0 million made during the current financial period.

A2.2 Presentation of Segmental Information

For the current period, the Group's activities are reorganised to be more focus in delivering results for respective areas. Accordingly, the Group's segment information will be presented under 2 segments, namely Logistics & Distribution and Manufacturing. The comparative figures on segment information have been restated appropriately.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)**A2. Changes in Accounting Policies (cont'd)****A2.3 FRS, IC Interpretations and Amendments to IC Interpretation issued but not yet effective**

At the date of authorisation of these interim financial statements, the following FRS, IC Interpretations and Amendments to IC Interpretation were issued but not yet effective and have not been applied by the Group:

FRS, IC Interpretation and Amendments to IC Interpretation		Effective for annual period beginning on or after
FRS 124	Related Party Disclosures	1 January 2012
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement	1 July 2011

IC Interpretation 15 Agreements for the Construction of Real Estate will also be effective for annual periods beginning on or after 1 January 2012. This IC Interpretation is, however, not applicable to the Group.

A2.4 Malaysian Financial Reporting Standards (MFRS)

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture ("MFRS141") and IC Interpretation 15 Agreements for Construction of Real Estate ("IC15"), including its parent, significant investor and venturer.

The Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2012. In presenting its first MFRS financial statements, the Group will be required to restate the financial position as at 1 January 2012 to amounts reflecting the application of MFRS Framework.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2012.

A3. Audit report in respect of the 2010 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2010 was not qualified.

A4. Seasonal or cyclical factors

The Group's operations are not subject to any significant seasonal or cyclical factors.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

A5. Unusual items due to their nature, size or incidence

The acquisition of Idaman Pharma Manufacturing Sdn Bhd ("IPMSB") by the Company was completed on 29 December 2011. Accordingly IPMSB became a wholly owned subsidiary of the Company and the Group's Consolidated Statement of Financial Position for the period ended 31 December 2011 had incorporated the book values of the assets and liabilities of IPMSB.

As part of the acquisition, the Company has also settled the balance of inter-company loan totalling RM59.0 million taken by IPMSB from Boustead Management Services Sdn Bhd. Payments for the purchase consideration of RM99.7 million and the inter-company settlement have been made via borrowings and internally generated funds.

Included in the goodwill is the estimated goodwill of RM58.2 million arising from the acquisition of the 100% stake in IPMSB representing the excess of the purchase consideration over the book values of IPMSB at the end of December 2011. The Group is currently in the midst of carrying out the purchase price allocation (PPA) exercise in accordance with FRS 3: Business Combinations, to allocate the values of tangible assets, liabilities, contingent liabilities and identifiable intangible assets of IPMSB. The results of the PPA exercise will determine the final value of goodwill arising from the acquisition of IPMSB.

There were no other unusual items affecting the assets, liabilities, equity, net income, or cashflows.

A6. Material changes in estimates used

There were no material changes in estimates of amounts reported in the prior interim periods of the current financial year or the previous financial year.

A7. Debt and equity securities

The Group did not undertake any issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period.

A8. Dividends

- (i) An interim gross dividend of 9 sen per share, less taxation of 25% on 106,977,788 ordinary shares of RM1.00 each in respect of the financial year ended 31 December 2011 amounting to RM7,221,015 was paid on 26 January 2012.
- (ii) For the Fourth quarter, the Directors have declared a single tier dividend of 21 sen (FY2010:Nil) per share in respect of the year ending 31 December 2011. The dividend will be paid on 28 March 2012 to shareholders registered in the Register of Members at the close of business on 12 March 2012.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)**A9. Operating segments**

Operating segment information for the cumulative period is as follows:

	Logistics & Distribution RM'000	Manufacturing RM'000	Eliminations RM'000	Total RM'000
2011				
Revenue				
External revenue	1,519,949	1,032	-	1,520,981
Inter-segment revenue	1,154	134,915	(136,069)	-
Total revenue	<u>1,521,103</u>	<u>135,947</u>	<u>(136,069)</u>	<u>1,520,981</u>
Results				
Segment results	79,234	9,221	-	88,455
Unallocated corporate expenses	(11,716)	-	-	(11,716)
Profit from operations	<u>67,518</u>	<u>9,221</u>	<u>-</u>	<u>76,739</u>
Finance costs	(4,164)	-	-	(4,164)
Interest income	948	-	-	948
Share of results of associate	(337)	-	-	(337)
Profit before taxation	<u>63,965</u>	<u>9,221</u>	<u>-</u>	<u>73,186</u>
Taxation				(20,101)
Zakat				(300)
Profit for the period				<u>52,785</u>
2010				
Revenue				
External revenue	1,377,954	394	-	1,378,348
Inter-segment revenue	1,610	132,649	(134,259)	-
Total revenue	<u>1,379,564</u>	<u>133,043</u>	<u>(134,259)</u>	<u>1,378,348</u>
Results				
Segment results	34,551	22,656	-	57,207
Unallocated corporate expenses	(7,595)	-	-	(7,595)
Profit from operations	<u>26,956</u>	<u>22,656</u>	<u>-</u>	<u>49,612</u>
Finance costs	(4,043)	-	-	(4,043)
Interest income	1,028	-	-	1,028
Share of results of associate	(1,135)	-	-	(1,135)
Profit before taxation	<u>22,806</u>	<u>22,656</u>	<u>-</u>	<u>45,462</u>
Taxation				(13,190)
Zakat				(1,962)
Profit for the period				<u>30,310</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

A10. Carrying Amount of Revalued Assets

There has been no revaluation of property, plant and equipment during the current financial period.

A11. Subsequent Event

There was no other material subsequent event that will materially affect the financial statements of financial period under review other than as disclosed in Note B21.

A12. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current period ended 31 December 2011, including business combinations, acquisition or disposal of subsidiary companies and long term investments, restructuring and discontinuing operations except for the following :

- (i) Boustead Holdings Berhad ("BHB") became a holding company on 25 March 2011.
- (ii) Forte Tech Solutions Sdn Bhd was no longer an associate upon disposal of the entire stake of 30% on 14 July 2011.
- (iii) Idaman Pharma Manufacturing Sdn Bhd ("IPMSB") became a wholly owned subsidiary on 29 December 2011.

A13. Contingent Liabilities

There were no changes in the contingent liabilities since 31 December 2010.

A14. Capital Commitments

The Group has the following commitments as at 31 December 2011:

	Authorised and contracted for RM'000	Authorised but not contracted for RM'000	Total RM'000
Property, plant and equipment	<u>73,204</u>	<u>5,173</u>	<u>78,377</u>

A15. Financial Risk Management

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for year ended 31 December 2010.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia

B16. Performance Review

Fourth Quarter 2011 versus Fourth Quarter 2010

For the current quarter, the revenue of RM367.8 million was 2.2% lower than the fourth quarter last year due to lower sales to the Government sector.

The Group recorded a pre-tax profit of RM16.4 million for the quarter, compared with a loss of RM2.7 million in the same quarter last year. The loss last year was largely due to provision for a slow moving stock totalling RM20.0 million.

Financial year ended 31 December 2011 versus 31 December 2010

The Group recorded a revenue of RM1.52 billion which translates to a 10% growth compared with the previous year. The main driver of growth has been the Logistics & Distribution Division which benefitted from increased sales, better margin due to increase in efficiency level and higher deliveries to the Government sector.

As a result, the Group's pre-tax profit for the current year of RM73.2 million was an improvement of 60.9% as compared with last year.

The **Logistics & Distribution Division** achieved revenue of RM1.52 billion, a growth of 10.2% over the previous year. The concession business recorded sales of RM903.9 million, registering a growth of 11.1%. The non concession business to the Government sector achieved sales of RM220.9 million, marking a 2.5% growth. Our international arm, PT Millennium Pharmacon International Tbk (MPI) recorded an increased turnover by 12.1% to RM336.8 million. The promotional activities undertaken has helped to boost the sales to private and international markets with sales of RM58.4 million, a strong growth of 19.9%.

The Division recorded a pre-tax profit of RM64.0 million, an increase of RM41.2 million in comparison with the previous year. The increase was mostly attributed by higher sales and lower provision on slow-moving stocks, in particular Tamiflu drug (2011: RM8.8 million, 2010: RM20.0 million).

The **Manufacturing Division** achieved revenue of RM143.7 million from two operating plants in Bangi and Puchong. The new Puchong plant, Pharmaniaga LifeScience Sdn Bhd (PLS) commenced operations in January 2011. The current capacity of PLS includes the manufacture of ampoules and vials of more than 35 million units per year.

The Division only recorded RM9.2 million pre-tax profit in comparison with the previous year's achievement of RM22.7 million. The setback was mainly caused by PLS which incurred losses in its first year of operation.

The Division's results did not incorporate IPMSB as it became a subsidiary only at the end of December 2011.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)**B17. Comparison Between the Current Quarter and the Immediate Preceding Quarter**

The revenue for the current quarter of RM367.8 million was a decrease of only 1% over that achieved in the preceding quarter. The reduction was mainly due to lower sales to the Government sector.

However, the pre-tax profit increased to RM16.4 million from RM15.6 million recorded in the previous quarter. This was mainly contributed by better gross profit margin.

B18. Prospects

The Group delivered a solid performance in 2011 with a double digit growth year-on-year in both revenue and earnings. The Malaysian Government's planned spending in its 10th Malaysia Plan will continue to provide impetus for the growth of pharmaceuticals and healthcare industries which augurs well for the Group.

Our priorities in the short to medium terms are to further enhance our level of performance standards under the Concession Agreement and to continue delivering excellent services to our customers. We are confident that managing the operations of Pharmaniaga and IPMSB collectively will bring about synergistic benefits. We look forward to cost improvements by streamlining manufacturing facilities and production capacities. At the regional and international front, our collaborative strategies with established partners should result in positive outcomes in terms of growing our market presence in new countries.

B19. Notes on variance in actual profit and shortfall in profit guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax and non-controlling interest and shortfall in profit guarantee are not applicable.

B20. Income Tax

For the quarter ended 31 December 2011	Current Period		Cumulative Period	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Malaysian taxation based on profit for the period :				
-Current	7,994	5,386	23,506	22,021
-Deferred	(1,864)	(5,060)	(1,387)	(6,898)
	6,130	326	22,119	15,123
Over provision of prior years	(1,944)	(1,837)	(2,018)	(1,933)
	4,186	(1,511)	20,101	13,190

The Group's effective tax rate for the financial year is 27.5%, which is higher than the statutory tax rate of 25% principally due to certain expenses which were not deductible for tax purposes.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)**B21. Corporate Proposals****(i) Shareholding Spread**

On 6 July 2011, the Company together with BHB announced a corporate exercise to jointly collaborate to address the public spread shareholding requirement of the Company. In this respect, BHB will undertake divestment of shares of 1,500,000 Pharmaniaga shares ("Proposed Divestment 1"), 4,000,000 Pharmaniaga Shares ("Proposed Divestment 2") and 8,000,000 Pharmaniaga Shares ("Proposed Divestment 3") to be divested to Lembaga Tabung Angkatan Tentera, BHB directors and employees and other investors respectively.

(ii) Bonus Issue

The Company announced Bonus Issue involving issuance of up to 10,697,779 Bonus Shares ("Bonus Share(s)") on the basis of 1 Bonus Share for every 10 existing shares held. The Bonus Issue was completed on 20 February 2012.

(iii) Acquisition of Idaman Pharma Manufacturing Sdn Bhd ("IPMSB")

Subsequent to completion of the acquisition of IPMSB, the Company had on 6 January 2012 announced that its subsidiary, Pharmaniaga Logistics Sdn Bhd ("PLSB") had on the even date entered into the Novation Agreement with Idaman Pharma Sdn Bhd ("IPSB") and IPMSB in relation to the Proposed Novation for a Novation Consideration of RM51.083 million to novate and transfer all its rights, benefits, liabilities and obligations under the PLSB-IPSB Supply Agreement to IPMSB and IPMSB will accept the novation and transfer of all rights, benefits, liabilities and obligations of IPSB under the PLSB-IPSB Supply Agreement and be bound by the terms of the PLSB-IPSB Supply Agreement in every way as if IPMSB were a party to the PLSB-IPSB Supply Agreement instead of IPSB. The Novation is pending confirmation in writing from the Ministry of Finance ("MOF") for the effective and valid transfer of the Adoption Scheme Status from IPSB to IPMSB.

B22. Borrowings and Debt Securities - Unsecured

	31 December 2011	31 December 2010
	RM'000	RM'000
Domestic	150,894	-
Foreign	37,324	33,067
Short Term Loan	<u>188,218</u>	<u>33,067</u>

The above foreign loan denomination is in Indonesian Rupiah (IDR) and equivalent to IDR 107,680 million.

B23. Material Litigation

In the case referred to in Note 36 of the 2010 Audited Financial Statements, the court had fixed the matter for hearing of the Notice of Motion on the appeal by Safri on 21 July 2011. The court had struck out Safri's appeal with costs of RM5,000 to be paid to the Company by Safri.

However, on 22 August 2011, the Company received a Notice of Motion by Safri for leave to appeal to the Federal Court against the decision of the Court of Appeal. The matter came up for Case Management on 7 December 2011 and the Federal Court directed Safri to find out from the Court of Appeal whether the Grounds of Judgment in relation to its decision granted on 21 July 2011 will be provided. The matter has been fixed for Hearing on 13 March 2012.

There were no other changes in material litigations since the last reporting date as at 31 December 2010.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)**B24. Realised and Unrealised Profits of the Group**

The retained profits as at 31 December 2011 is analysed as follows:

	31 December 2011 RM'000	31 December 2010 RM'000
Total retained profits of the Group and its subsidiaries:		
- realised profits	411,802	376,233
- unrealised profits/ (loss)	7,470	(1,140)
	<u>419,272</u>	<u>375,093</u>
Total share of retained profits from associates:		
- realised profits	-	3,004
	<u>419,272</u>	<u>378,097</u>
Less: Consolidation adjustments	(78,032)	(81,793)
Total Group retained profits as per consolidated accounts	<u>341,240</u>	<u>296,304</u>

B25. Additional Disclosures

For the quarter ended 31 December 2011	Current Period		Cumulative Period	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Depreciation and amortisation	9,741	3,472	22,475	14,163
Provision for and write off of receivables	109	219	415	2,553
Provision for and write off of inventories	4,107	20,037	16,393	28,234
Loss on disposal of an associate	-	-	144	-
Foreign exchange gain	(2,195)	(834)	(770)	(877)

Other than the items mentioned above which have been included in the statement of comprehensive income, there were no impairment of assets, gain or loss on derivatives and exceptional items included in the results for the current quarter and financial year ended 31 December 2011.

B26. Economic Profit ("EP") Statement

For the quarter ended 31 December 2011	Cumulative Period	
	2010 RM'000	2011 RM'000
Economic profit	26,827	17,554

B27. Profit Forecast

No commentary is made on any variance between actual profit from forecast profit, as it does not apply to the Group.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)**B28. Earnings Per Share (“EPS”)**

For the quarter ended 31 December 2011	Current Period		Cumulative Period	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit/(loss) attributable to shareholders of the Company	11,942	(2,256)	52,157	30,384
Weighted average number of ordinary shares in issue ('000)	117,674	117,674	117,674	117,674
Basic earnings/(loss) per share (sen)	10.15	(1.92)	44.32	25.82

The weighted average numbers of ordinary shares in issue for the current quarter and year to date were after reflecting the retrospective adjustments as required by “FRS133 Earnings per Share” arising from the actual Bonus Issue of 10,696,181 shares as mentioned in Note B21(ii).

The weighted average numbers of ordinary shares in issue for the preceding year corresponding quarter and year have been restated to reflect the retrospective adjustments arising from the aforementioned Bonus Issue.

B29. Authorised for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 21 February 2012.

By Order of the Board

Kuala Lumpur
21 February 2012

SHARIFAH MALEK (LS00448)
YANTI IRWANI ABU HASSAN (MACS01349)
Joint Secretaries